

RESOLUTION NO.2016.162

43 September 20, 2016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNWOOD, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, FOR THE SUBMISSION TO THE VOTERS OF A QUESTION RELATING TO THE ESTABLISHMENT OF A TRANSACTIONS AND USE TAX AND "RAINY DAY FUND" TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Municipal Election shall be held on November 8, 2016; and

WHEREAS, the City Council desires to submit to the voters at the election a question relating to the penny ballot initiative.

WHEREAS, the City Council would also like to submit to the voters a second measure adding a section to the Lynwood Municipal Code to establish a budget stabilization ("rainy day") fund into which ten percent (10%) of the newly created or newly increased 2016 general TUT, if approved, will be deposited and may only be spent in cases of City fiscal hardship declared by 4/5 of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNWOOD, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Lynwood, California, on Tuesday, November 8, 2016, a Special Municipal Election for the purpose of considering the establishment of a transactions and use tax in the City of Lynwood.

Section 2. That the City Council, pursuant to its right and authority, does order submitted to the voters at the Municipal Election the following question(s):

Lynwood Public Safety and Vital City Services Protection Measure To protect and maintain vital city services including emergency response, neighborhood police patrols, sheriff's deputies and gang detectives, gang, drug and youth violence prevention programs, fire protection, street and pothole repair and parks and recreation programs; and other essential general services, shall the City of Lynwood establish a one cent <u>sales tax</u> , requiring independent annual financial audits, citizen's oversight and public review of expenditures, with all funds remaining in Lynwood with said tax expiring after 10 years?	YES
	NO

Section 3. That the City Council, pursuant to its right and authority, does order submitted to the voters at the Municipal Election the following question(s):

City Of Lynwood Budget Stabilization ("Rainy Day") Fund. To help maintain vital city services including emergency response, neighborhood police patrols, sheriff's deputies and gang detectives, gang, drug and youth violence prevention programs, fire protection, street and pothole repair and parks and recreation programs; and other essential general services, during economic recessions that cause temporary budget shortfalls, shall the City of Lynwood establish a budget stabilization ("rainy day") fund as part of the General Fund to provide short-term funding for such general services into which ten percent of any new general tax revenues shall be deposited and spent only to balance the budget in cases of City fiscal hardship as declared by 4/5 of the City Council.	YES
	NO

Section 4. That the proposed complete text of the Ordinances submitted to the voters are attached as, respectively, Exhibits A and B.

Section 5. That the ballots to be used at the election shall be in form and content as required by law.

Section 6 That the City Clerk is authorized, instructed and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

Section 7. That the polls for the election shall be open at 7 a.m. of the day of the election and shall remain open continuously from that time until 8 p.m. of the same day when the polls shall be closed, pursuant to Elections Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

Section 8. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding of municipal elections.

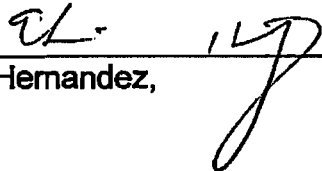
Section 9. That notice of the time and place of holding of election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

Section 10. That the City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill. The City Treasurer is hereby authorized and directed to appropriate the necessary funds to pay for the City's cost of placing the Measures on the election ballot.

Section 11. This Resolution shall take effect immediately upon its adoption.

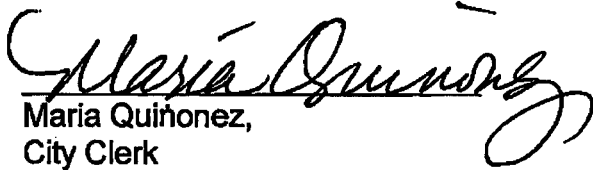
Section 12. That the City Clerk shall certify to the passage and adoption of this City Council Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED THIS 19th DAY OF JULY, 2016.



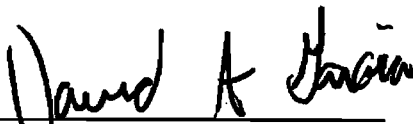
Edwin Hernandez,
Mayor

ATTEST:




Maria Quinonez,
City Clerk

APPROVED AS TO FORM:



David A. Garcia,
City Attorney

APPROVED AS TO CONTENT:



J. Arnoldo Beltrán,
City Manager

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STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

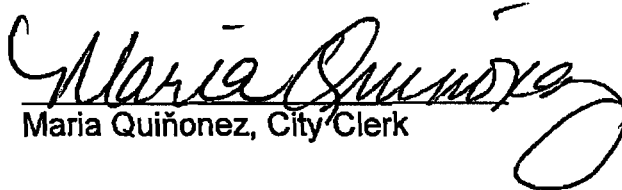
I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, do hereby certify that the foregoing Resolution was passed and adopted by the City Council of the City of Lynwood at a regular meeting held on the 19th day of July, 2016, and passed by the following vote:

AYES: **COUNCIL MEMBERS ALATORRE, SANTILLAN-BEAS,
 SOLACHE, CASTRO AND MAYOR HERNANDEZ**

NOES: **NONE**

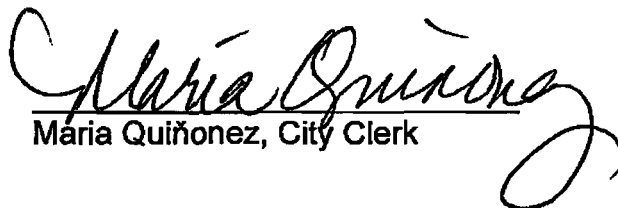
ABSENT: **NONE**

ABSTAIN: **NONE**


Maria Quiñonez, City Clerk

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, and the Clerk of the City Council of said City, do hereby certify that the above foregoing is a full, true and correct copy of Resolution No. 2016.162 on file in my office and that said Resolution was adopted on the date and by the vote therein stated. Dated this 19th day of July, 2016.


Maria Quiñonez, City Clerk

**PROPOSED ORDINANCE NO. 2016-
ORDINANCE OF THE PEOPLE OF THE CITY OF LYNWOOD,
CALIFORNIA, ENACTING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE
STATE BOARD OF EQUALIZATION**

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF LYNWOOD AS FOLLOWS:

SECTION 1. AMENDMENT OF CODE

Chapter 6 of the City of Lynwood Municipal Code is hereby amended to add a new section 6-2.9 and shall read as follows:

**CHAPTER 6-2.9
TRANSACTIONS AND USE TAX**

a. Title.

This ordinance shall be known as the City of Lynwood Transactions and Use Tax Ordinance. The City of Lynwood hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

b. Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

c. Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

1. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

2. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

3. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as

practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

4. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

d. Contract with State.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

e. Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.0% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance. The rate shall remain at one percent (1.0%) for the term of the tax.

f. Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

g. Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1.0% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. The rate shall remain at one percent (1.0%) for the term of the tax.

h. Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

i. Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

1. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:
 - (a) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - (b) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.
 - (c) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - (1) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - (2) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 - (d) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
2. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

j. Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

k. Exemptions and Exclusions.

1. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

2. There are exempted from the computation of the amount of transactions tax the gross receipts from:

(a) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(b) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(1) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(2) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(c) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(d) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the leaser is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

(e) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

3. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property.

(a) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(b) Other than fuel or petroleum products purchased by operators

of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(c) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(d) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

(e) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(f) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(g) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

4. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

I. Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this

ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

m. Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

n. Citizens Oversight Committee.

There shall be a five-person committee of members of the public to review and report on the revenue and expenditure of funds from the tax adopted by this Chapter. Prior to the operative date, the City Council shall adopt a resolution establishing the composition of the committee and defining the scope of its responsibilities. Also prior to the operative date, the City Council shall appoint at least a quorum of the members of the committee; the City Council shall complete the appointment of members of the committee by the end of fiscal year 2016.

o. Superseding Ordinance.

Notwithstanding any other provision of the Lynwood Municipal Code, this Ordinance enacting a 1.0% Transaction (Sales) and Use tax shall supersede any other conflicting Code provisions and shall be the only City imposed Transaction and Use tax.

p. Expiration of Tax.

The authority to levy the tax imposed by this Ordinance shall be for a term of ten (10) years. The tax imposed by this Ordinance shall automatically be terminated, without further action by the City Council, or the electors of the city, ten (10) years after the Operative Date. After the termination date, the tax imposed by this chapter can only be continued or reestablished by a majority vote of City votes pursuant to California Proposition 218.

SECTION 2. ENVIRONMENTAL COMPLIANCE.

The findings for this ordinance in compliance with the California Environmental Quality Act ("CEQA") are the same as those set forth in the City's Resolution calling for an election on this Ordinance. The CEQA findings in that Resolution are incorporated herein by reference.

SECTION 3. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Lynwood hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs,

sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4. EFFECTIVE DATE.

This ordinance relates to the levying and collecting of a City transactions and use tax and shall take effect immediately.

INTRODUCED on this 19th day of July, 2016, and passed to print and approved by the following called vote:

Members of the Council:

AYES: COUNCIL MEMBERS: ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

APPROVED by the following vote of the People of the City of Lynwood on November 8, 2016:

YES:

NO:

ADOPTED by Declaration of the vote at the November 8, 2016 election.

AYES:

NOES:

ABSENT:

ABSTAIN:

**PROPOSED ORDINANCE NO. 2016-
ORDINANCE OF THE PEOPLE OF THE CITY OF LYNWOOD,
CALIFORNIA, ENACTING A BUDGET
STABILIZATION ("RAINY DAY") FUND**

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF LYNWOOD AS FOLLOWS:

SECTION 1. AMENDMENT OF CODE

Chapter 6 of the City of Lynwood Municipal Code is hereby amended to add a new section 6-2.10 and shall read as follows:

CHAPTER 6-2.10

a. Title.

This ordinance shall be known as the City of Lynwood "Budget Stabilization Fund" Ordinance, which shall be either a subfund within the City's General Fund or in a separate fund (the "Budget Stabilization Fund"). The City of Lynwood hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

b. Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of the 2016 Transactions and Use Tax ordinance.

c. Purpose.

The Budget Stabilization Fund shall be used to fund general City operations and activities that would otherwise be reduced in scope due to shortfalls in General Fund structural revenues. For purposes of this Subsection, the phrase "General Fund" revenues means on-going revenues which are available to fund on-going General Fund operations.

d. Transfers into and from the Budget Stabilization Fund.

1. Automatic Deposit of New General Tax Revenues into the Budget Stabilization Fund. The Budget Stabilization Fund shall be funded by an automatic deposit/transfer of one percent (10%) of general tax revenues generated each year by the 2016 Transactions and Use Tax ordinance, commencing with Fiscal Year 2017. For purposes of this subsection, the phrase "new general tax revenues" means all revenues generated from the revenues from the Transactions and Use Tax which was submitted to the voters concurrently with this ordinance.

2. Discretionary Deposits into Budget Stabilization Fund not Prohibited.

Nothing in this Chapter shall prohibit the City Council, as part of the budgeting process, from contributing additional revenues to the Budget Stabilization Fund, as determined in the City Council's sound legislative discretion.

3. Expenditures from the Budget Stabilization Fund. The City Council may expend funds available from the Budget Stabilization Fund in any single fiscal year if the City Council declares a fiscal hardship by a 4/5 vote, requiring the use of such resources to maintain current levels of City services and programs. For purposes of this section, a "fiscal hardship" may be deemed to occur whenever the City Manager, in the proposed budget for a fiscal year, projects a level of General Fund structural revenues that will result in a two percent (2%) or greater reduction in funding for general City services, as compared to the base budget that would be needed to maintain existing services. For purposes of this subsection, the phrase "base budget" means the projected on-going costs needed to maintain the same level of General Fund operations as the prior fiscal year's budget.

4. Maximum balance for Budget Stabilization Fund. At no time shall the balance of the Budget Stabilization Fund exceed five percent (10%) of the City's General Fund structural revenues forecast in the adopted budget for the subsequent fiscal year. Automatic transfers of revenues into the Budget Stabilization Fund as required by Subsection 1 shall be made only to the extent that the Fund balance does not exceed the ten percent (10%) threshold, as calculated above, and any automatic transfer that would result in such an excess balance shall be suspended.

SECTION 2. APPROVAL OF VOTERS

Transactions and Use Tax Measure Contingency. Pursuant to California Elections Code Section 9217, this ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of City voting at the Election of November 8, 2016. Notwithstanding the above, this ordinance shall only become effective if the City's Transactions and Use Tax Measure, which is on the ballot for the same Election, is also approved by the eligible voters of the City.

SECTION 3. SEVERABILITY

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. The City Council of the City of Lynwood hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4. ENVIRONMENTAL COMPLIANCE

The findings for this ordinance in compliance with the California Environmental Quality Act ("CEQA") are the same as those set forth in the City's Resolution calling for an election on this Ordinance. The CEQA findings in that Resolution are incorporated herein by reference.

INTRODUCED on this 19th day of July, 2016, and passed to print and approved by the following called vote:

Members of the Council:

AYES: COUNCIL MEMBERS: ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

APPROVED by the following vote of the People of the City of Lynwood on November 8, 2016:

YES:
NO:

ADOPTED by Declaration of the vote at the November 8, 2016 election.

AYES: COUNCIL MEMBERS: ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

2016 AUG - 8 AM 10: 57

RECEIVED

RESOLUTION NO. 2016.163

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNWOOD, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL PRESIDENTIAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Lynwood called a Special Municipal Election to be held on November 8, 2016, for the purpose of submitting to the voters the question relating to the establishment of a transactions and use tax and a "rainy day fund" measure; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Statewide General Presidential election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the county election department of the County of Los Angeles canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNWOOD DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide General Presidential election on Tuesday, November 8, 2016.

Section 2. That a measure is to appear on the ballot as follows:

Lynwood Public Safety and Vital City Services Protection Measure To protect and maintain vital city services including emergency response, neighborhood police patrols, sheriff's deputies and gang detectives, gang, drug and youth violence prevention programs, fire protection, street and pothole repair and parks and recreation programs; and other essential general services, shall the City of Lynwood establish a one cent <u>sales tax</u> , requiring independent annual financial audits, citizen's oversight and public review of expenditures, with all funds remaining in Lynwood with said tax expiring after 10 years?	YES
	NO

Section 3. Also, another measure is to appear on the same ballot as follows:

City Of Lynwood Budget Stabilization ("Rainy Day") Fund. To help maintain vital city services including emergency response, neighborhood police patrols, sheriff's deputies and gang detectives, gang, drug and youth violence prevention programs, fire protection, street and pothole repair and parks and recreation programs; and other essential general services, during economic recessions that cause temporary budget shortfalls, shall the City of Lynwood establish a budget stabilization ("rainy day") fund as part of the General Fund to provide short-term funding for such general services into which ten percent of any new general tax revenues shall be deposited and spent only to balance the budget in cases of City fiscal hardship as declared by 4/5 of the City Council?	YES
	NO

Section 4. That the County election department is authorized to canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

Section 5. That the Board of Supervisors is requested to issue instructions to the County election department to take any and all steps necessary for the holding of the consolidated election.

Section 6. That the City of Lynwood recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

Section 7. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of Los Angeles.

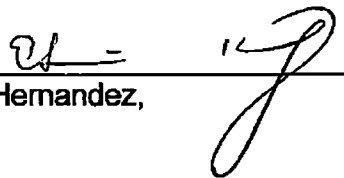
Section 8. Notice of the election is hereby given. Additionally, the City Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

Section 9. The City Clerk shall certify to the passage and adoption of this City Council Resolution and enter it into the book of original Resolutions.

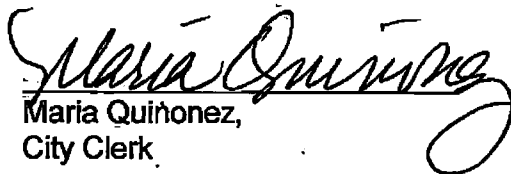
Section 10. That this Resolution shall take effect immediately upon its adoption.

Section 11. That the City Clerk shall certify to the passage and adoption of this City Council Resolution and enter it into the books of original resolutions.

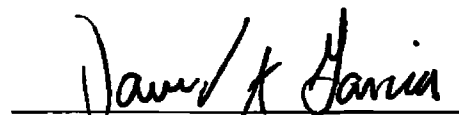
PASSED, APPROVED AND ADOPTED this 19TH DAY OF JULY, 2016.


Edwin Hernandez,
Mayor


ATTEST:


Maria Quiñonez,
City Clerk

APPROVED AS TO FORM:


David A. Garcia,
City Attorney

APPROVED AS TO CONTENT:


J. Arnoldo Beltrán,
City Manager

[THIS SPACE INTENTIONALLY LEFT BLANK]

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)


I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, do hereby certify that the foregoing Resolution was passed and adopted by the City Council of the City of Lynwood at a regular meeting held on the 19th day of July, 2016, and passed by the following vote:

AYES: **COUNCIL MEMBERS ALATORRE, SANTILLAN-BEAS, SOLACHE,
 CASTRO AND MAYOR HERNANDEZ**

NOES: **NONE**


ABSENT: **NONE**

ABSTAIN: **NONE**


Maria Quiñonez, City Clerk

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, and the Clerk of the City Council of said City, do hereby certify that the above foregoing is a full, true and correct copy of Resolution No. 2016.163 on file in my office and that said Resolution was adopted on the date and by the vote therein stated. Dated this 19th day of July, 2016.


Maria Quiñonez, City Clerk

RECEIVED
2016 AUG 10 AM 10:43
COUNTY OF LOS ANGELES

RESOLUTION NO. 2016.165

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNWOOD, CALIFORNIA, APPROVING THE FORM OF THE ORDINANCE TO BE SUBMITTED TO THE VOTERS, REGARDING THE CONSOLIDATION OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL PRESIDENTIAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Lynwood called a Special Municipal Election to be held on November 8, 2016, for the purpose of submitting to the voters the question relating to the establishment of a transactions and use tax and "rainy day fund" measures; and

WHEREAS, the tax, if approved, would be imposed on the sale of tangible personal property and the storage, use, or other consumption of such property. The tax rate would be one percent (1.0%) (i.e. one cent for each dollar) of the sales price of tangible personal property. The tax revenue would be collected by the State Board of Equalization and remitted to the City. The tax is approved if the measure receives at least a simple majority of affirmative votes of qualified City voters. The tax will expire after ten years unless extended by a vote of the people.

WHEREAS, the Council deems it necessary and advisable to submit the proposed Ordinances to the qualified voters of the City to be approved by a majority of the votes cast; and

WHEREAS, a form of the proposed ballot measures and ordinances (the "Ordinances") are attached hereto and incorporated herein, which are measures regarding a general transactions and use (sales) tax before the voters at the November 8, 2016 general election;

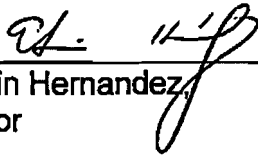
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNWOOD DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of § 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide General Presidential election on Tuesday, November 8, 2016, and the form of the Ordinances are attached, respectively, as exhibits "A" and "B," and are approved for submittal as such.

Section 2. That this Resolution shall take effect immediately upon its adoption.

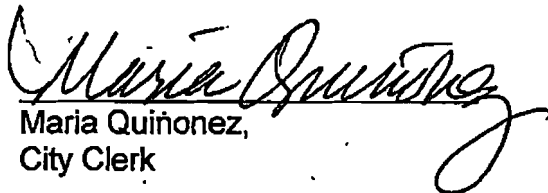
Section 3. That the City Clerk shall certify to the passage and adoption of this City Council Resolution and enter it into the books of original resolutions.

PASSED, APPROVED AND ADOPTED this 19TH DAY OF JULY, 2016.



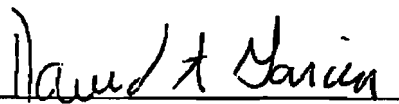
Edwin Hernandez,
Mayor

ATTEST:



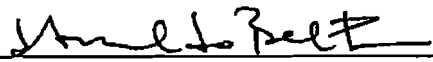
Maria Quiñonez,
City Clerk

APPROVED AS TO FORM:



David A. Garcia,
City Attorney

APPROVED AS TO CONTENT:



J. Arnoldo Beltrán,
City Manager

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STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

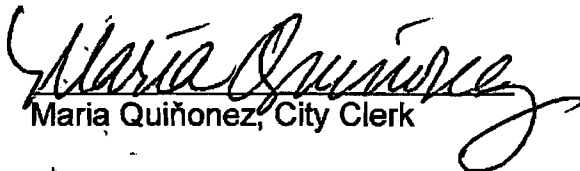
I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, do hereby certify that the foregoing Resolution was passed and adopted by the City Council of the City of Lynwood at a regular meeting held on the 19th day of July, 2016, and passed by the following vote:

AYES: **COUNCIL MEMBERS ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ**

NOES: **NONE**

ABSENT: **NONE**

ABSTAIN: **NONE**


Maria Quiñonez, City Clerk

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

I, Maria Quiñonez, the undersigned, City Clerk of the City of Lynwood, and the Clerk of the City Council of said City, do hereby certify that the above foregoing is a full, true and correct copy of Resolution No. **2016.165** on file in my office and that said Resolution was adopted on the date and by the vote therein stated. Dated this 19th day of July, 2016.

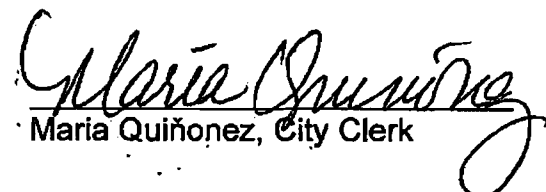

Maria Quiñonez, City Clerk

EXHIBIT "A"
PROPOSED ORDINANCE NO. 2016-
ORDINANCE OF THE PEOPLE OF THE CITY OF LYNWOOD,
CALIFORNIA, ENACTING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE
STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF LYNWOOD AS FOLLOWS:

SECTION 1. AMENDMENT OF CODE

Chapter 6 of the City of Lynwood Municipal Code is hereby amended to add a new section 6-2.9 and shall read as follows:

CHAPTER 6-2.9
TRANSACTIONS AND USE TAX

a. Title.

This ordinance shall be known as the City of Lynwood Transactions and Use Tax Ordinance. The City of Lynwood hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

b. Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

c. Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

1. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance, which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

2. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

3. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by

the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

4. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

d. Contract with State.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

e. Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.0% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance. The rate shall remain at one percent (1.0%) for the term of the tax.

f. Place of Sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

g. Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1.0% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. The rate shall remain at one percent (1.0%) for the term of the tax.

h. Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

i. Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

1. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. However, the substitution shall not be made when:
 - (a) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;
 - (b) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.
 - (c) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - (1) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - (2) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 - (d) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
2. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

j. Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

k. Exemptions and Exclusions.

1. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

2. There are exempted from the computation of the amount of transactions tax the gross receipts from:

(a) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(b) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(1) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(2) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(c) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(d) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the leaser is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

(e) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

3. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property.

(a) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(b) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in

the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(c) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(d) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

(e) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(f) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(g) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

4. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

I. Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to

affect the rate of tax imposed by this ordinance.

m. Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

n. Citizens Oversight Committee.

There shall be a five-person committee of members of the public to review and report on the revenue and expenditure of funds from the tax adopted by this Chapter. Prior to the operative date, the City Council shall adopt a resolution establishing the composition of the committee and defining the scope of its responsibilities. Also prior to the operative date, the City Council shall appoint at least a quorum of the members of the committee; the City Council shall complete the appointment of members of the committee by the end of fiscal year 2016.

o. Superseding Ordinance.

Notwithstanding any other provision of the Lynwood Municipal Code, this Ordinance enacting a 1.0% Transaction (Sales) and Use tax shall supersede any other conflicting Code provisions and shall be the only City imposed Transaction and Use tax.

p. Expiration of Tax.

The authority to levy the tax imposed by this Ordinance shall be for a term of ten (10) years. The tax imposed by this Ordinance shall automatically be terminated, without further action by the City Council, or the electors of the city, ten (10) years after the Operative Date. After the termination date, the tax imposed by this chapter can only be continued or reestablished by a majority vote of City votes pursuant to California Proposition 218.

SECTION 2. ENVIRONMENTAL COMPLIANCE.

The findings for this ordinance in compliance with the California Environmental Quality Act ("CEQA") are the same as those set forth in the City's Resolution calling for an election on this Ordinance. The CEQA findings in that Resolution are incorporated herein by reference.

SECTION 3. SEVERABILITY.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of Lynwood hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4. EFFECTIVE DATE.

This ordinance relates to the levying and collecting of a City transactions and use tax and shall take effect immediately.

INTRODUCED on this 19th day of July, 2016, and passed to print and approved by the following called vote:

Members of the Council:

AYES: COUNCIL MEMBERS: ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

APPROVED by the following vote of the People of the City of Lynwood on November 8, 2016:

YES:
NO:

ADOPTED by Declaration of the vote at the November 8, 2016 election.

AYES:
NOES:
ABSENT:
ABSTAIN:

EXHIBIT "B"
PROPOSED ORDINANCE NO. 2016-
ORDINANCE OF THE PEOPLE OF THE CITY OF LYNWOOD,
CALIFORNIA, ENACTING A BUDGET
STABILIZATION ("RAINY DAY") FUND

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF LYNWOOD AS FOLLOWS:

SECTION 1. AMENDMENT OF CODE

Chapter 6 of the City of Lynwood Municipal Code is hereby amended to add a new section 6-2.10 and shall read as follows:

CHAPTER 6-2.10

a. Title.

This ordinance shall be known as the City of Lynwood "Budget Stabilization Fund" Ordinance, which shall be either a subfund within the City's General Fund or in a separate fund (the "Budget Stabilization Fund"). The City of Lynwood hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

b. Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of the 2016 Transactions and Use Tax ordinance.

c. Purpose.

The Budget Stabilization Fund shall be used to fund general City operations and activities that would otherwise be reduced in scope due to shortfalls in General Fund structural revenues. For purposes of this Subsection, the phrase "General Fund" revenues means on-going revenues which are available to fund on-going General Fund operations.

d. Transfers into and from the Budget Stabilization Fund.

1. Automatic Deposit of New General Tax Revenues into the Budget Stabilization Fund. The Budget Stabilization Fund shall be funded by an automatic deposit/transfer of one percent (10%) of general tax revenues generated each year by the 2016 Transactions and Use Tax ordinance, commencing with Fiscal Year 2017. For purposes of this subsection, the phrase "new general tax revenues" means all revenues generated from the revenues from the Transactions and Use Tax which was submitted to the voters concurrently with this ordinance.

2. Discretionary Deposits into Budget Stabilization Fund not Prohibited.

Nothing in this Chapter shall prohibit the City Council, as part of the budgeting process, from contributing additional revenues to the Budget Stabilization Fund, as determined in the City Council's sound legislative discretion.

3. Expenditures from the Budget Stabilization Fund. The City Council may expend funds available from the Budget Stabilization Fund in any single fiscal year if the City Council declares a fiscal hardship by a 4/5 vote, requiring the use of such resources to maintain current levels of City services and programs. For purposes of this section, a "fiscal hardship" may be deemed to occur whenever the City Manager, in the proposed budget for a fiscal year, projects a level of General Fund structural revenues that will result in a two percent (2%) or greater reduction in funding for general City services, as compared to the base budget that would be needed to maintain existing services. For purposes of this subsection, the phrase "base budget" means the projected on-going costs needed to maintain the same level of General Fund operations as the prior fiscal year's budget.

4. Maximum balance for Budget Stabilization Fund. At no time shall the balance of the Budget Stabilization Fund exceed five percent (10%) of the City's General Fund structural revenues forecast in the adopted budget for the subsequent fiscal year. Automatic transfers of revenues into the Budget Stabilization Fund as required by Subsection 1 shall be made only to the extent that the Fund balance does not exceed the ten percent (10%) threshold, as calculated above, and any automatic transfer that would result in such an excess balance shall be suspended.

SECTION 2. APPROVAL OF VOTERS

Transactions and Use Tax Measure Contingency. Pursuant to California Elections Code Section 9217, this ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of City voting at the Election of November 8, 2016. Notwithstanding the above, this ordinance shall only become effective if the City's Transactions and Use Tax Measure, which is on the ballot for the same Election, is also approved by the eligible voters of the City.

SECTION 3. SEVERABILITY

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. The City Council of the City of Lynwood hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4. ENVIRONMENTAL COMPLIANCE

The findings for this ordinance in compliance with the California Environmental Quality Act ("CEQA") are the same as those set forth in the City's Resolution calling for an election on this Ordinance. The CEQA findings in that Resolution are incorporated herein by reference.

INTRODUCED on this 19th day of July, 2016, and passed to print and approved by the following called vote:

Members of the Council:

AYES: COUNCIL MEMBERS: ALATORRE, SANTILLAN-BEAS, SOLACHE,
CASTRO AND MAYOR HERNANDEZ
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

APPROVED by the following vote of the People of the City of Lynwood on November 8, 2016:

YES:
NO:

ADOPTED by Declaration of the vote at the November 8, 2016 election.

AYES: NONE
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

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